

# **QUARTERLY REPORT TO THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE**

**ON**

## **MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES**

### **SESSION LAW 2001-437**

July 1, 2008 to September 30, 2008

This quarterly report is submitted to the Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services (LOC), pursuant to the requirements of Session Law 2001-437. This report is for the months of July 1, 2008 to September 30, 2008 and provides information on major developments as the Division implements reform.

#### **Section I: Major developments for this quarter include:**

- DHHS Secretary Dempsey Benton moved the State Operated Services Sections back under the authority and jurisdiction of the NC Division of Mental Health, Developmental Disabilities and Substance Abuse Services (NC DMH/DD/SAS).
- Division took over financial control of the Southeastern Center, which is located in Wilmington, NC.
- John R. Corne was appointed by Governor Michael Easley as the Chairman of the NC Commission for Mental Health, Developmental Disabilities and Substance Abuse Services.
- Effective August 25, 2008, Tom Mahle was hired as the Director of Broughton Hospital.
- Gail Wets was hired as the Director of Black Mountain Neuro-Medical Treatment Center.
- Effective September 1, 2008, Cherry Hospital was decertified as a Medicare and Medicaid provider by the Centers for Medicare and Medicaid Services (CMS). The Compass Group, Inc., an independent hospital management firm from Cincinnati, Ohio, were obtained through a contract by the NC Division of Mental Health, Developmental Disabilities and Substance Abuse Services to identify problems and recommend steps for corrections and improvements by evaluating the operational and management structure of the hospital.

## **1. Communication Bulletins # 096 through # 098**

- **Communication Bulletin # 096** announced an overview of the 2008 Consumer and Family Advisory Committee Training (CFAC) which was provided by the NC Division of Mental Health, Developmental Disabilities and Substance Abuse Services, Advocacy and Customer service Section, Consumer Empowerment Team. **(Bulletin dated August 4, 2008)**
- **Communication Bulletin #97** announced the retirement of Phillip Hoffman, NC DMH/DD/SAS, Resource and Regulatory Management Section, and the appointment of Jim Jarrard, the Division's Accountability Team Leader, to that role. **(Bulletin dated August 25, 2008)**
- **Communication Bulletin #98** announced the dissemination of the MH/DD/SAS Community Systems Progress Report for State Fiscal Year 2007-08, Fourth Quarter. As required by Session Law 2008-107, a matrix was also included with this report, which revealed each Local Management Entities' (LME's) performance on the critical performance measures against statewide averages and performance standards in the DHHS-LME Performance Contract. **(Bulletin dated September 15, 2008)**

In addition to the Communication Bulletin Series, the Division released several Enhanced Services Implementation Updates to assist providers and consumers with the transition process. Four Implementation Updates were released, covering the following topics:

- **Implementation Update/Revision # 45** announced updates on provider accreditation monitoring; the Service Definition Review Workgroup; and on CAP-MR/DD Waivers. Other announcements included modifications in the policy regarding the Community Support 25% Requirement; suspension of enrollment for Community Support Services; Person Centered Plan form change for court involved consumers under age 21; NC Division of Medical Assistance staffing announcements; reporting provider changes; common billing errors, new denial code on Explanation of Benefits; and the completion of notification of endorsement actions.
- **Special Implementation Update #46** announced the legislative changes made in the area of community support services as outlined in Session Law 2008-107, which is the Appropriations Act of 2008.
- **Special Implementation Update #47** announced further clarification on Implementation Update #46 on the legislative changes in the area of community support services. Announcements were also made regarding accreditation benchmarks; authorizations for therapeutic foster care; and regarding the state funded services contract. Clarification was provided regarding the Memorandum of Agreement (MOA) requirement in the absence of an endorsement and information provided on how to contact ValueOptions to escalate an inquiry.
- **Implementation Update #48** announced billing reminders for community support services; provided information regarding maintenance of service for

adults receiving community support services; and issued updates on CAP-MR/DD services. Several other topics were covered such as: Medicaid payment or billing issues; the suspension of Medicaid benefits for incarcerated recipients and recipients in institutions for mental diseases; retrospective reviews for enhanced services; Medicaid Management Information System Upgrade for Adult Enhanced Services regarding Diagnostic Changes; and Facility Based Crisis Services for Children. Service rate changes applying to Medicaid and state-funded services were also outlined along with new Explanation of Benefits (EOB) codes.

## **2. Services and Programs**

- **Waivers:** There were no significant changes in waivers this quarter.

## **3. Public Outreach to Discuss System Reform**

- The Division continues to post on its website Questions and Answers regarding the New and Modified Service Definitions.

## **4. Rule Changes**

The following rules were reviewed and approved by the Rules Review Commission this quarter:

- 10A NCAC 27G .0406 – Letter of Support – Licensure of Residential Facilities
- 10A NCAC 27G .7000 – LME Response to Complaints
- 10A NCAC 27G .7004 – Appeals Regarding Utilization Review Decision for Non-Medicaid Services
- 10A NCAC 27I .0500 – Content/Format of Business Plans
- 10A NCAC 27I .0400 – Secretary Approval of LME Service Delivery

The Commission on MH/DD/SAS approved the following rules for further action by the Rules Review Commission:

- Proposed Amendment of 10A NCAC 28C .0201 – State Facility Environment
- Proposed Amendment of 10A NCAC 26C .0100 – Designation of Facilities – Involuntary Clients
- Proposed Amendment of 10A NCAC 27G .0600 – Area Authority or County Program Monitoring of Facilities and Services

## **5. Developing Community Capacity**

- The North Carolina Division of Mental Health, Developmental Disabilities and Substance Abuse Services' Annual Report on the supports and services provided in the areas of mental health, developmental disabilities and substance abuse service, for State Fiscal Year 2007, was posted on the Division's website on September 30, 2008.
- Local Management Entities Crisis Services Plans, a report to the Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services, the Fiscal Research Division and the Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services was submitted by the Division of Mental Health, Developmental Disabilities and Substance Abuse Services on August 31, 2008. This was the final report to fulfill the legislative reporting requirement.
- The Monthly Report on Community Support Services, a report to the Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services and Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services was submitted by the North Carolina Department of Health and Human Services on July 31, 2008, September 15, 2008 and September 30, 2008.